

review at least five days prior to the filing date; and (4) does not become operative for 30 days from April 3, 1995,⁹ the rule change proposal has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(e)(6) thereunder. In particular, the Commission believes the proposal would qualify as a "noncontroversial filing" in that the proposed standards do not significantly affect the protection of investors or the public interest and do not impose any significant burden on competition. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying at the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the CBOE. All submissions should refer to SR-CBOE-95-17 and should be submitted by May 4, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Jonathan G. Katz,
Secretary.

[FR Doc. 95-9147 Filed 4-12-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. IC-20991; File No. 812-9490]

Kemper Securities, Inc., et al.; Notice of Application

April 6, 1995.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the "Act").

APPLICANTS: Kemper Securities, Inc. ("Sponsor"); Kemper Tax-Exempt Insured Income Trust, Kemper Tax-Exempt Income Trust, Ohio Tax-Exempt Bond Trust, Kemper Insured Corporate Trust, Kemper Government Securities Trust (U.S. Treasury Portfolio), Kemper Government Securities Trust (GNMA Portfolio), Kemper Bond Enhanced Securities Trust, Kemper Equity Portfolio Trusts, Kemper Defined Funds U.S. Treasury Portfolio, Kemper Defined Funds GNMA Portfolio, Kemper Defined Funds Insured Corporate, Kemper Defined Funds Corporate Income, Kemper Defined Funds Insured National, Kemper Defined Funds Insured State, Kemper Defined Funds (the "Trusts").

RELEVANT ACT SECTIONS: Order requested under section 6(c) for exemptions from sections 2(a)(32), 2(a)(35), 22(d), and 26(a)(2)(C) of the Act and rule 22c-1 thereunder, and under section 11(a) for relief from section 11(c).

SUMMARY OF APPLICATION: Applicants request an order that would permit the Trusts to impose deferred sales charges, waive the deferred sales charge in certain cases, and exchange units with deferred sales charges.

FILING DATES: The application was filed on February 21, 1995, and was amended on March 31, 1995.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on May 1, 1995, and should be accompanied by proof of service on applicants in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of the date of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, 77 West Wacker Dr.,

Chicago, IL 60601; cc: Mark J. Kneedy, Chapman and Cutler, 111 West Monroe St., Chicago, IL 60603.

FOR FURTHER INFORMATION CONTACT:

Bradley W. Paulson, Staff Attorney, at (202) 942-0147, or Robert A. Robertson, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application is available for a fee from the SEC's Public Reference Branch.

Applicants' Representations

1. Each Trust is a unit investment trust sponsored by the Sponsor. Each Trust has one or more separate series ("Series") created by a trust indenture among the Sponsor, an evaluator, and a banking institution or trust company serving as trustee. The Sponsor acquires a portfolio of securities and deposits them with the trustee in exchange for certificates representing fractional undivided interests in the portfolio of securities ("Units"). Units currently are offered to the public through the Sponsor and other underwriters and dealers at a price based upon the aggregate offering side evaluation of the underlying securities plus an up-front sales charge. The sales charge currently ranges from 5.5 percent to 1 percent of the public offering price, and is subject to reduction as permitted by rule 22d-1.

2. Applicants request an order permitting them, future series of the Trusts, and future trusts sponsored by the sponsor to impose sales charges on Units on a deferred basis and waive the deferred sales charge in certain cases. Under applicants' proposal, the Sponsor will continue to determine the amount of sales charge per Unit at the time portfolio securities are deposited in a Series. The Sponsor will have the discretion to defer collection of all or part of this sales charge over a period following the purchase of Units. The Sponsor will in no event add to the deferred amount initially determined any additional amount for interest or any similar or related charge to reflect or adjust for such deferral.

3. The Sponsor anticipates collecting a portion of the total sales charge immediately upon purchase of Units. A portion of the outstanding balance will be deducted periodically by the trustee from distributions on the Units and paid to the Sponsor until the total amount of the sales charge is collected. If distribution income is insufficient to pay a deferred sales charge installment,

⁹ Because the Exchange filed Amendment No. 1 subsequent to the original filing date, the 30-day period commences on the filing date of Amendment No. 1.

¹⁰ 17 CFR 200.30-3(a)(12) (1994).

the trustee will have the ability under the trust indenture to sell portfolio securities in an amount necessary to provide the requisite payments. These securities will be sold on a pro rata basis, to the extent practicable, so that the remaining composition of the Trust will be similar to its composition prior to the sale. If a unitholder redeems or sells to the Sponsor his or her Units before the total sales charge has been collected from installment payments, the balance of the sales charge may be collected at the time of such redemption or sale.

4. For purposes of calculating the amount of the deferred sales charge due upon redemption or sale of Units, it will be assumed that Units on which the balance of the sales charge has been collected from installment payments are liquidated first. Any Units disposed of over such amounts will be redeemed in the order of their purchase so that Units held for the longest time are redeemed first.

5. The Sponsor intends to waive collection of the unpaid balance of the deferred sales charge upon any sale or redemption of Units. If applicants later decide to collect the unpaid balance of the deferred sales charge upon sale or redemption, they may nonetheless waive payment of the balance of the deferred sales charge on redemptions or sales of Units in certain specific cases. Any such waiver will be disclosed in the prospectus and will satisfy the other conditions of rule 22d-1.

6. The Sponsor believes that the operation and implementation of the deferred sales charge program will be disclosed adequately to potential investors as well as unitholders. The prospectus for each Series will describe the operation of the deferred sales charge, including the amount and date of each installment payment. The prospectus also will contain disclosure pertaining to the trustee's ability to sell portfolio securities if the income generated by a Series' portfolio is insufficient to pay an installment. The securities confirmation statement sent by the Sponsor to each purchaser will state the amount of the "up-front" sales charge, if any, and the amount of the deferred sales charge to be deducted in regular installments. The annual report of each Series will state the amount of annual installment payments deducted during the previous fiscal year on both a per Trust and per Unit basis.

7. The maximum sales charge on Units acquired in the secondary market normally ranges from 5.5 percent to 1.0 percent of the public offering price of the Units. Applicants request that the order also permit them to allow

unitholders to exchange Units of one Series for Units of another subject to an additional sales charge not to exceed 2.5 percent of the public offering price of the acquired Units. This sales charge is calculated as the greater of (a) 2.5 percent per Unit, or (b) an amount that together with the sales charge already paid on the exchanged Units equals the normal sales charge on the acquired Units if either Units are exchanged within five months of their acquisition for Units of another Series with a higher sales charge, or Units with a deferred sales charge are exchanged for Units of another Series with an "up-front" charge before the deferred sales charge on the exchanged Units has been collected.

8. If Units subject to a deferred sales charge are exchanged for Units of a Series not having a deferred sales charge, the deferred sales charge will be collected at the time of the exchange. If Units subject to a deferred sales charge are exchanged for Units of a Series with a deferred sales charge, installment payments will continue to be deducted from the distributions on the acquired Units until the balance of the sales charge owed on the exchanged Units has been collected. In either case, the additional sales charge will be imposed at the time of the exchange.

Applicants' Legal Analysis

1. Under section 6(c), the SEC may exempt any person or transaction from any provision of the Act or any rule thereunder to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants believe that implementation of the deferred sales charge program in the manner described above would be fair and in the best interests of the unitholders of the Trusts.

2. Section 2(a)(32) defines a "redeemable security" as a security that, upon its presentation to the issuer, entitles the holder to receive approximately his or her proportionate share of the issuer's current net assets or the cash equivalent of those assets. Because the imposition of a deferred sales charge may cause a redeeming unitholder to receive an amount less than the net asset value of the redeemed Units, applicants seek an exemption from section 2(a)(32) so that Units subject to a deferred sales charge are considered redeemable securities for purposes of the Act.¹

¹ Without an exemption, a trust selling Units subject to a deferred sales charge could not meet the

3. Section 2(a)(35) defines the term "sales load" to be the difference between the sales price and the proceeds to the issuer, less any expenses not properly chargeable to sales or promotional expenses. Because a deferred sales charge is not charged at the time of purchase, an exemption from section 2(a)(35) is necessary.

4. Rule 22c-1 requires that the price of a redeemable security issued by an investment company for purposes of sale, redemption, and repurchase be based on the investment company's current net asset value. Because the imposition of a deferred sales charge may cause a redeeming unitholder to receive an amount less than the net asset value of the redeemed Units, applicants seek an exemption from this rule.

5. Section 22(d) requires an investment company and its principal underwriter and dealer to sell securities only at a current public offering price described in the investment company's prospectus. Because sales charges traditionally have been a component of the public offering price, section 22(d) historically required that all investors be charged the same load. Rule 22d-1 was adopted to permit sale of redeemable securities "at prices that reflect scheduled variations in, or elimination of, the sales load." Because rule 22d-1 does not extend to scheduled variations in deferred sales charges, applicants seek relief from section 22(d) to permit them to waive or reduce their deferred sales charge in certain specified instances.

6. Section 26(a)(2) in relevant part prohibits a trustee or custodian of a unit investment trust from collecting from the trust as an expense any payment to a depositor or principal underwriter thereof. Because of this prohibition, applicants need an exemption to permit the trustee to collect the deferred sales charge installments from distribution deductions or Trust assets.

7. Paragraphs (a) and (c) of section 11 prohibit any offers of exchange of the securities of a registered unit investment trust for the securities of any other investment company, unless the terms of the offer have been approved by the SEC. Applicants assert that the reduced sales charge imposed at the time of exchange is a reasonable and justifiable expense to be allocated for the professional assistance and operational expenses incurred in connection with the exchange.

definition of a unit investment trust under section 4(2) of the Act. Section 4(2) defines a unit investment trust as an investment company that issues only "redeemable securities."

Applicants' Conditions

Applicants agree that any order granting the requested relief will be subject to the following conditions:

1. Whenever the exchange option is to be terminated or its terms are to be amended materially, any holder of a security subject to that privilege will be given prominent notice of the impending termination or amendment at least 60 days prior to the date of termination or the effective date of the amendment, provided that: (a) No such notice need be given if the only material effect of an amendment is to reduce or eliminate the sales charge payable at the time of an exchange, to add one or more new Series eligible for the exchange option, or to delete a Series that has terminated; and (b) No notice need be given if, under extraordinary circumstances, either (i) there is a suspension of the redemption of Units of the Trust under section 22(e) of the Act and the rules and regulations promulgated thereunder, or (ii) a Trust temporarily delays or ceases the sale of its Units because it is unable to invest amounts effectively in accordance with applicable investment objectives, policies and restrictions.

2. An investor who purchases Units under the exchange option will pay a lower aggregate sales charge than that which would be paid for the Units by a new investor.

3. The prospectus of each Trust offering exchanges and any sales literature or advertising that mentions the existence of the exchange option will disclose that the exchange option is subject to modification, termination or suspension, without notice except in certain limited cases.

4. Each Series offering Units subject to a deferred sales charge will include in its prospectus the table required by item 2 of Form N-1A (modified as appropriate to reflect the differences between unit investment trusts and open-end management investment companies) and a schedule setting forth the number and date of each installment payment.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 95-9074 Filed 4-12-95; 8:45 am]

BILLING CODE 8010-01-M

U.S. SMALL BUSINESS ADMINISTRATION**[Declaration of Disaster Loan Area #2766]****California; Declaration of Disaster Loan Area (Amendment #1)**

The above-numbered Declaration is hereby amended, effective March 24, 1995, to include Alameda, Alpine, Calaveras, Contra Costa, Merced, San Francisco, San Joaquin, and San Mateo Counties in the State of California as a disaster area due to damages resulting from severe winter storms causing flooding, landslides, and mud debris flows beginning on February 13, 1995 and continuing.

All counties contiguous to the above-named counties have previously been declared.

All other information remains the same, i.e., the termination date for filing applications for physical damage is May 11, 1995, and for loans for economic injury the deadline is December 12, 1995.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008.)

Dated: April 7, 1995.

Bernard Kulik,

Associate Administrator for Disaster Assistance.

[FR Doc. 95-9145 Filed 4-12-95; 8:45 am]

BILLING CODE 8025-01-M

THRIFT DEPOSITOR PROTECTION OVERSIGHT BOARD**National Advisory Board Meeting**

AGENCY: Thrift Depositor Protection Oversight Board.

ACTION: Change of meeting date.

SUMMARY: This is to announce a change in the date for the National Advisory Board meeting schedule for April 27 as published in the Federal Register, March 30, 1995, page 16529. The meeting is rescheduled for May 31 at the Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C.

DATES: Wednesday, May 31, 9 a.m. to noon.

ADDRESSES: Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C.

FOR FURTHER INFORMATION CONTACT: Jill Nevius, Committee Management Officer, Thrift Depositor Protection Oversight Board, 808 17th Street, NW, Washington, DC 20232, 202/416-2626.

Dated: April 7, 1995.

Jill Nevius,

Committee Management Officer.

[FR Doc. 95-9055 Filed 4-12-95; 8:45 am]

BILLING CODE 2221-01-M

DEPARTMENT OF TRANSPORTATION**Office of the Secretary****NAFTA Land Transportation Standards Subcommittee Work Program**

AGENCY: Office of the Secretary, Office of International Transportation and Trade, DOT.

ACTION: Notice.

SUMMARY: This notice gives the status of the Department of Transportation's (DOT) actions to implement the Land Transportation Standards Subcommittee (LTSS) work program set forth in the North American Free Trade Agreement (NAFTA). It also describes the LTSS' scope of work, notifies the public of upcoming meetings, and invites interested parties to write to DOT to be included in the Department's distribution list for LTSS reports and related information.

The United States, Canada, and Mexico intend to continue to work to develop more compatible land transportation standards through the LTSS in accordance with a timetable set in the NAFTA. Five working groups of federal and state government technical experts from the three countries were established last year to accomplish this work under the direction of the LTSS. The groups made considerable progress during the NAFTA's first year, including the completion of efforts related to cross-border rail operations. Representatives from industry, labor, and safety advocacy organizations, while not directly involved in the LTSS process, may take part in briefings and listening sessions conducted before or after the official meetings. In 1994, the LTSS held one plenary session, one executive session, and eight working group meetings. Copies of the LTSS 1994 Annual Report will be available in mid-May. The U.S. Department of Transportation conducted two public briefings in August and November 1994. The Department intends to publish periodic notices on the LTSS' activities, and to distribute regularly relevant information to individuals and organizations on its mailing list. Respondents are requested to send a fax or a post card with their full names and addresses to DOT, specifying the group(s) about which they would like to receive information.